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## **Producers, TransCanada Make Progress on Alaska LNG Export Project**

October 3, 2012, Juneau, Alaska - Executives for ExxonMobil, ConocoPhillips, BP, and TransCanada submitted a letter to the Parnell administration describing their companies' progress in advancing an Alaska liquefied natural gas (LNG) export project.

"I'm encouraged that the companies have made significant progress in advancing a project and an associated schedule for commercializing North Slope gas," Governor Parnell said. "Clearly, they have fully shifted their efforts to an Alaska LNG project."

The companies' letter addresses a critical benchmark that Governor Parnell laid out in his January State of the State address, calling on the companies to harden the numbers on an LNG project and identify a project timeline by the end of the third quarter.

The letter also addresses an additional third-quarter benchmark that Governor Parnell laid out in his address, calling on the companies to complete their discussions with the Alaska Gasline Development Corporation (AGDC) on the potential to consolidate their work. In the letter, the companies said they have established a cooperative framework with AGDC to share information.

"I am also encouraged to see the significant work between AGDC, which is advancing an in-state gas project, and the Alaska Pipeline Project (APP), which is advancing an LNG export project. Deeper cooperation between these two state-backed efforts is strongly in the state's interest," Governor Parnell said.

Prior to today's announcement, ExxonMobil, ConocoPhillips and BP had met two earlier benchmarks laid out in Governor Parnell's State of the State address. On March 29, the state and the companies resolved the Point Thomson litigation. The following day, the companies announced their alignment "on a structured, stewardable and transparent approach with the aim to commercialize North Slope natural gas within the Alaska Gasline Inducement Act (AGIA) framework."

Today's letter and attachments from the producers and TransCanada provide details on the team they have assembled and the team's activities in developing a project, building on their previous work to commercialize North Slope gas. The documents include a project timeline and a cost range covering various stages in the project development schedule and work plan. The documents also provide new details regarding the components of an Alaska LNG project, including a liquefaction facility, gas production and storage, a large-diameter pipeline, and a gas treatment plant.

Over the past six months, more than 200 employees from the four companies have been working on managerial, technical, and commercial aspects during this phase of the project schedule, according to the letter.

Given the massive size of the North Slope conventional gas resource (35 trillion cubic feet of reserves and more than 200 trillion cubic feet of undiscovered, technically recoverable resources) and the scope of the project as described by the companies, an Alaska LNG project will be one of the largest in the world.

While the companies have been developing their LNG project design, the Parnell administration has undertaken significant outreach to Pacific Rim markets to highlight the comparative advantages of Alaska LNG exports, and to other key stakeholders, including U.S. government officials in charge of export licensing.

The most recent of these efforts was Governor Parnell's trade mission in September to South Korea and Japan, where he discussed Alaska LNG exports with leading government and industry officials.

A copy of the letter and attachments is available at:

[http://gov.alaska.gov/parnell\\_media/resources\\_files/letter\\_100312.pdf](http://gov.alaska.gov/parnell_media/resources_files/letter_100312.pdf)

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